

MOTION BY SUPERVISOR'S MOLINA AND ANTONOVICH

December 1, 2009

The Hall of Justice has been vacant since 1994, and a restoration project was halted in 2004 when uncertainties over the extent and related cost of seismic, structural, and other retrofit requirements rendered the project potentially beyond its allotted budget. Since that time, several factors justify a new and expedited review of costs and benefits of resurrecting the rehabilitation program.

First, the major uncertainties regarding the condition of the building were eliminated. Interior demolition was completed, exposing the building's structural components. Structural and seismic analysis was completed and all hazardous material was removed. Analysis revealed the building is structurally sound, and schematic seismic retrofit drawings were completed.

Second, construction costs have significantly decreased within the last year – in most cases reducing the cost of major construction projects 20% or more.

MOTION

Molina _____

Ridley-Thomas _____

Yaroslavsky _____

Antonovich _____

Knabe _____

Third, financing costs are also at historic lows, and could be further reduced if the project makes use of Build America Bonds (BABS) which offer a federal subsidy for interest expenses.

Finally, American Recovery Act (ARA) funds may be available to defray the construction costs as the project meets, or exceeds many of the ARA public benefit requirements, and could be made shovel-ready in the near term.

The combination of these factors could well make this the most propitious time to perform the restoration of this significant historic building at a cost that may be fully offset by decreasing leased space utilized by County departments.

WE, THEREFORE, MOVE THAT the CEO be directed, with the assistance of relevant County Departments, to report back within 45 days, and:

1. Update the financial analysis that compares lease cost savings from transferring departments (with the highest cost lease space) from leased space to a renovated Hall of Justice utilizing construction and financing costs that could be realized with the benefit of Build America Bonds and the offset of FEMA and American Recovery Act Funds;
2. Recommend a competitive procurement method to select a contractor or developer to perform the renovation in a timeframe that will best allow the County to take advantage the current economic conditions and meet the timeframes for realizing the Federal financial assistance;
3. Review the available development models including “Build to Suit”, lease-leaseback” and “Design Build” and recommend the most advantageous development structure for the restoration project.

4. Determine if the County should immediately authorize any necessary updating or completion of the seismic retrofit design immediately to expedite the project or as needed to meet the Federal deadlines.

GH/ch